

## Voluntary Buyout Program Video Script

### *Intro Message from Commissioner Deborah Story:*

Hello. I'm Deborah Story, Commissioner of the Department of Human Resources. The following presentation will give you an overview of the State of Tennessee Voluntary Buyout Program.

More than 12,000 employees are eligible for this program, and we have developed an attractive package that provides a unique opportunity for those who feel it is the right time for them to leave state government...either to pursue other opportunities or to continue their education or training.

Participation in the program is voluntary, and I encourage you to consider the program carefully and utilize the available information resources before making your decision.

We'll address a few of the most commonly asked questions during this presentation. You can find more information, including other frequently asked questions and answers, on the State's Web site. We've also established a Call Center and a designated email address to help you get the information you need to make the decision that's right for you and your family.

### *Note: Voice 1 narrates Slides 1-27*

#### *Slide 1*

This presentation will give you more information about the State of Tennessee Voluntary Buyout Program.

#### *Slide 2*

We'll review the Voluntary Buyout Program, including eligibility, benefits, important dates, the available information resources, and some of the most frequently asked questions about the program.

#### *Slide 3*

Let's start with a brief overview.

#### *Slide 4*

The purpose of the Voluntary Buyout Program – or V-B-P – is to assist the State with its effort to reduce the budget deficit by reducing the size of the Executive Branch by approximately 2,000 positions. This voluntary program will help reduce or eliminate the need for involuntary layoffs at a later date by providing severance pay and benefits to those employees identified as eligible for the program who voluntarily choose to leave state service.

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Agency heads identified certain positions that could be reduced with minimal impact on delivery of services to Tennesseans. The buyout offer has been extended to more than 12,000 eligible employees who received program materials through the mail. Those eligible employees who would like to be considered for the program must submit an application on or before August 5<sup>th</sup>. The application was included in the mailing on a green form.

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In developing their plans, departments and agencies determined how many positions might be eliminated in job classifications in each agency or within certain of its divisions, business units, subdivisions, sub-business units and/or office locations (also called designated units). If there are more applicants in a classification in a designated unit than the program called for, agencies will accept employees within such designated unit according to their seniority in state government. Those accepted into the program will be notified on or about August 11<sup>th</sup>.

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Let's talk more about eligibility for the program.

*Slide 8*

The V-B-P is only available to eligible employees in the Executive Branch of state government who have been designated by their appointing authority as being eligible to participate in the V-B-P. Those employees were sent a notification letter during the week of June 16<sup>th</sup>.

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In addition, to be considered eligible, you must also be either actively employed in a full-time Career Service position that is not an interim, seasonal or emergency appointment, and not in the probationary period that follows your initial hire by the State of Tennessee... or, you must be actively employed in a full-time Executive Service position with six or more years of State service as of June 10, 2008.

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You are not eligible to participate in the Voluntary Buyout Program if you were not designated by your appointing authority as being eligible to participate, you submitted a resignation notice before June 10, 2008, or you submitted an effective notice of retirement before June 10, 2008.

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You also are not eligible to participate if:

- you are terminated for unacceptable performance or violation of one of the state's laws, rules or policies;
- you accept any other position within Tennessee state government through your voluntary separation date; or
- you leave employment with the state before the voluntary separation date defined in this program, or
- the program is terminated.

#### *Slide 12*

The State of Tennessee has designed the Voluntary Buyout Program to be attractive to employees through the benefits it offers. Let's review those benefits.

#### *Slide 13*

V-B-P benefits include a lump-sum separation payment equal to four months of your base salary at the greater rate of pay in effect on June 2, 2008, or on your voluntary separation date, plus an additional \$500 for each year of state service as of your voluntary separation date. Partial years of service will be rounded up...so if you have eight years and two months service on your voluntary separation date, nine years will be used in calculating this payment. You'll also receive advanced payment of your next scheduled longevity payment, based on your service to the State of Tennessee. And participants will receive payment of accrued, unused annual leave and compensatory time as of their voluntary separation date.

#### *Slide 14*

Other V-B-P benefits include continuation of medical care coverage for those who are eligible to and elect to continue their coverage under COBRA. The state of Tennessee will help pay for that coverage for the first six months of medical care coverage, and then you can choose to continue coverage for an additional 12 months under COBRA at your own expense. For those participants age 65 and older as of their voluntary separation date, the program will make a one-time, lump-sum payment of \$2,400 to assist in the transition to Medicare.

#### *Slide 15*

The Voluntary Buyout Program also offers benefits for those who want to continue their education or training, including tuition assistance of up to \$10,800 – \$5,400 per year – that can be used at any Tennessee Board of Regents or University of Tennessee entity, including technology centers, community colleges and state universities. The program's tuition assistance benefit can also be used for apprenticeship programs certified by the Tennessee Department of Labor and Workforce Development, as well as the department's GED programs and associated testing fees. The tuition assistance benefits

begin September 1, 2008 and may only be used for courses that begin on or before June 30, 2011.

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Your V-B-P Notification Letter included a personalized sample calculation of your severance payment.

Let's work through a sample calculation.

Our sample employee is John Q. Tennessee, a 66-year old employee who has worked for the state for 15 years and 4 months as of June 30, 2008. As of June 2, 2008, his annual salary is \$38,400.

John's monthly rate of pay equals \$3,200.

- Therefore, the Base Salary Payment equals the \$3,200 *times* 4, which totals **\$12,800**

Note that under the V-B-P your severance pay will be based upon the greater of your rate of pay in effect on June 2<sup>nd</sup> or your voluntary separation date. If John's rate of pay increases by his voluntary separation date, his payment will actually be higher.

John's service equals 15 years and 4 months as of June 30, 2008, which is rounded up to 16 years.

- Therefore, the Service Payment equals the 16 *times* \$500, which totals **\$8,000**

Note that the Service Payment John actually will receive will be based upon his voluntary separation date of employment, as opposed to June 30, 2008, and that date in most cases will be August 15, 2008. This will not affect John's calculation here, but it may impact yours, depending upon your actual separation date and your years and months of service

John's Longevity Years through the end of Fiscal Year 2008-2009 also equals 16.

- Therefore, the Longevity Payment equals 16 *times* \$100, which totals **\$1,600**

Because John is 66, his calculation box will contain an insurance message that reads:

- "Cash Payment to Assist Transition to Medicare." This one-time payment totals **\$2,400**
- *Please note that if you are under age 65 as of your voluntary separation date, there will be no insurance message in your calculation box. It won't read \$0 – it will simply be left blank*

The final line of the calculation box provides the **Total**. For John Q. Tennessee, that total equals **\$24,800**.

Just to be clear, if John Q. Tennessee had the same exact salary, service, and longevity, but was only age **45**, his total would be **\$22,400**, because that one-time, lump sum \$2,400 payment to assist with the transition to Medicare is only for employees age 65 and over as of their voluntary separation date.

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Now that we've talked about the benefits the program offers, let's review the key dates for eligible employees.

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Packets were mailed to eligible employees the week of June 16<sup>th</sup>. In a separate mailing, the Tennessee Consolidated Retirement System also provided retirement information to those employees who are retirement-eligible and eligible for the VBP. This mailing included additional information retirement-eligible employees may wish to consider when deciding whether to apply for the V-B-P.

Information sessions for employees eligible for the program will be held in locations around the state, beginning the week of June 23<sup>rd</sup>.

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Information sessions for eligible employees will continue in July. Please note the V-B-P Call Center will be closed for the holiday weekend on Friday, July 4, and Saturday, July 5.

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Tuesday, August 5<sup>th</sup>, will be last day that eligible employees can submit an application to participate in the VBP. Applications must be postmarked by August 5th or hand-delivered to the Department of Human Resources by 5 p.m. Central Time.

Tuesday, August 5<sup>th</sup> is also the last day for eligible employees who submitted applications to revoke them. Revocations must be postmarked by August 5th or hand-delivered to the Department of Human Resources by 5 p.m. Central Time.

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If you submit a timely V-B-P application form and do not revoke it within these time frames, your application can be accepted by the State. If your V-B-P application is then accepted, your employment with the State will terminate as of your voluntary separation date regardless of whether you later change your mind. Thus it is very important that you are sure you want to participate in the program when you submit your application, and that if you have second thoughts you revoke your application in a timely manner.

**Remember:** Application forms and, if you change your mind, revocation letters need to be either postmarked or hand delivered on or before August 5<sup>th</sup> to be effective. Application forms and revocation letters sent by fax, email, and intergovernmental messenger WILL NOT BE ACCEPTED.

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On or about August 11<sup>th</sup>, applicants will be notified about acceptance into the program. Most employees accepted into the program will have a Voluntary Separation Date of Friday, August 15<sup>th</sup>. On this date, with limited exceptions, participants must return their signed waiver and release agreements to their department's human resources officer. Signed waiver and release agreements will not be accepted before the participants' voluntary separation date.

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Employees have 7 days to revoke their signed Waiver and Release Agreement. By revoking your release, you are simply giving up your VBP-specific benefits in order to preserve your right to bring legal claims you may have against the State. Revoking the waiver is optional.

The VBP Administrator must receive your revocation of the waiver within 7 days of signing it. There are 4 ways to ensure delivery of your revocation within 7 days:

- Hand delivery to the VBP Administrator on the 1<sup>st</sup> floor of the Polk Building
- E-mail to VBP.Administrator@state.tn.us
- Fax to the VBP Administrator at 615-741-7880
- U.S. mail – but the mail must be received – not just postmarked – within 7 days

Please note these delivery methods are different from the ones available to revoke your VBP application.

Also, there is a key difference between revoking the Waiver and Release Agreement and revoking your VBP application:

- If you revoke your **VBP application** prior to August 5, 2008, you will not participate in the VBP, will not receive benefits, and will remain employed in your position with the State
- If you revoke your **Waiver** after you have applied for the VBP without revoking the application and are accepted as a VBP participant, you **will be separated** on your voluntary separation date, regardless of whether you revoke your Waiver within the 7-day period. By revoking the waiver, you are simply giving up your VBP-specific benefits to preserve your right to bring legal claims against the State.

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Payment of V-B-P cash benefits will be made around September 15 to all participants with signed, unrevoked waivers.

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The State of Tennessee is making a number of resources available to help you make the decision that's right for you.

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First, there are several ways in which you may have any questions about the V-B-P itself answered.

The V-B-P Web site includes Frequently Asked Questions, sample documents and links to other state resources. Go to [www.TN.gov](http://www.TN.gov) and click on the gold button that says "Voluntary Buyout Program." Or call the V-B-P Call Center at 615-253-9980 or toll free at 1-866-252-7954 to speak to a representative. For your convenience, the Call Center is open from 7 a.m. to 7 p.m. Central time Monday through Friday, and 9 a.m. to noon Central time on Saturday.

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A designated e-mail box has been established if you'd rather e-mail your question. Email your questions to [Voluntary.Buyout@tn.gov](mailto:Voluntary.Buyout@tn.gov).

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As participation in the V-B-P will result in your separation from State service, you also may wish to make use of the following state resources. These resources will not be in a position to answer questions about the terms of the V-B-P, but may be able to answer other questions you may have as you consider whether the V-B-P is right for you:

Job postings and other alternative career information and services are available at the Department of Labor and Workforce Development. The Department offers services through Career Centers located across the state. Visit their Web site for more information.

The State of Tennessee's Employee Assistance Program – or EAP – offers confidential, professional counseling services for employees at no cost. Call them toll free any time, day or night, at 1-800-308-4934.

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The staff of the Tennessee Consolidated Retirement System provides information about state employees' retirement benefits. Visit their Web site to access online tools including Frequently Asked Questions and a retirement benefits calculator.

*Slide 30*

Before we end our presentation today, let's review some of the most frequently asked questions about the Voluntary Buyout Program.

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Voice 2: What happens if the V-B-P does not reach its goal of 2,000 employees?

Voice 1: If the voluntary buyout program does not achieve the anticipated number of voluntary separations, the State may need to consider an involuntary reduction in force at a later date.

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Voice 2: Can I volunteer to participate in the V-B-P?

Voice 1: No, only certain employees in the Executive Branch designated by their appointing authority can participate in the program. All eligible employees were sent a notification letter on June 16, 2008. If you are eligible, you may voluntarily agree to participate in the V-B-P. If you are not eligible, you may not volunteer.

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Voice 2: How were positions chosen to be eligible for the V-B-P?

Voice 1: The commissioner or director of each department and agency made a determination by classification in each agency or within certain designated units of that agency. Eligible classifications vary between departments and agencies, as well as within divisions, business units, locations and other subdivisions of a department or agency, based on their service delivery needs.

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Voice 2: If I accept the buyout, can I be rehired by the State?

Voice 1: If you participate in the V-B-P, you cannot work for a period of two years from your voluntary separation date in any capacity for any Executive



Branch entity that participated in the V-B-P. This includes retirees, who may not be appointed to 120-day temporary positions.

Exceptions can be made only with the written approval of the Commissioners of Department Of Human Resources and Finance and Administration, as well as the appointing authority of the Executive Branch entity requesting to hire you.

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Voice 2: When will I receive the severance payments?

Voice 1: You will receive your severance payment within 31 days after signing and not revoking the waiver and release agreement. Since the voluntary separation date for most employees will be August 15<sup>th</sup>, you should receive payment around September 15<sup>th</sup>, 2008. The payments will be made by check, rather than by direct deposit.

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Voice 2: Can I get the tuition assistance benefit as a cash payout?

Voice 1: The answer is no, the Tennessee Student Assistance Corporation will administer the tuition assistance benefit by reimbursing the institution or apprenticeship program directly.

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Voice 2: Can I use the tuition benefit to pay for my spouse or children to go to school?

Voice 1: Again the answer is no, the tuition assistance benefit is non-transferable, so it can only be used by the V-B-P participant.

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Voice 2: To retain my cost-of-living adjustment for 2009, I need to retire by June 30, 2008. Can I retire before August 15<sup>th</sup> and still be eligible for the VBP? If so, how will this work if VBP decisions are not made until August?

Voice 1: While most voluntary separation dates under the VBP will be August 15<sup>th</sup>, if you are eligible for participation in the VBP, and are eligible to retire by June 30, 2008, you may opt to retire on any date up to August 15, including by June 30<sup>th</sup>. If you retire by June 30, you will not know whether you have been accepted into the VBP until on or about August 11<sup>th</sup>, like everyone else. If you are not accepted into the VBP, you will not receive the VBP benefits ***even though you already have retired.***

Employees who wish to retire by June 30<sup>th</sup> to retain their cost of living adjustments need to understand that there is no guarantee that they will be accepted into the VBP. Thus, retirement-eligible employees must consider their options very carefully.

*Note: Commissioner Story appears again to close the presentation...*

Thank you for viewing this presentation. If you have additional questions, please feel free to call the Voluntary Buyout Call Center at 615-253-9980 or toll free at 1-866-252-7954...visit the Web site at [www.TN.gov](http://www.TN.gov) and click on the gold button that says "Voluntary Buyout Program" to review frequently asked questions, that will be updated regularly...or email your questions to us at [Voluntary.Buyout@tn.gov](mailto:Voluntary.Buyout@tn.gov).

Please remember that, while we have tried to be as accurate and informative as possible in this presentation, this is only an overview of the program. The Voluntary Buyout Program document contains additional details and terms. I strongly encourage you to read the program document before making your decision. If you have misplaced it, copies are available on the Web site, or you can call the Voluntary Buyout Program Call Center. If there is a difference between this presentation and the program document, the terms of the program document will control.

You are advised to contact your personal attorney to discuss the program and to review the Waiver and Release Agreement, if you so desire.

I would like to thank you for your service to the State of Tennessee and encourage you to consider this offer carefully.

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